



# STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

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## NEWS RELEASE

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### Mine Reclamation Bonding Surpasses \$1 Billion

CARSON CITY - Reclamation bonding that guarantees the environmentally friendly reclamation of Nevada mines should they be abandoned has surpassed the \$1 billion mark, state and federal officials announced today.

A state law, enacted in 1990, mandates that all mining operations and exploration projects greater than five acres in size obtain a reclamation permit and post a financial guarantee to ensure that reclamation activities are completed in the event the operator is unable or unwilling to complete them.

"The fact that this bonding pool is strong and growing should reassure all Nevadans that closure and reclamation of abandoned mines will continue in an orderly manner, and the state's environment will be protected," said Dave Gaskin, chief of the Nevada Division of Environmental Protection's (NDEP) Bureau of Mining Regulation and Reclamation.

He said the amount of bonding is one of the largest in the United States, and reflects the mining industry's commitment to environmentally responsible reclamation of mine sites in Nevada.

Currently, the financial guarantees can be filed with NDEP, as well as the State Division of Minerals, the U.S. Forest Service and the U.S. Bureau of Land Management (BLM). Collectively, the agencies now hold \$1.031 billion in reserve to finance reclamation activities. That total includes: \$613 million in letters of credit, \$226 million in surety bonds, \$180 million in corporate guarantees, \$7.3 million in cash, \$2.1 million in bonds administered by the Division of Minerals, and \$2 million in certificates of deposit.

Administered jointly by the state and federal agencies, the bonding pool has grown substantially in recent years due to expansion of the state's mining industry and implementation of more precise cost-estimating guidelines.

In 2006, NDEP posted on its webpage the Nevada Standard Reclamation Cost Estimator, an EXCEL workbook that contains standardized cost data such as current Davis-Bacon labor rates, applicable fuel costs, equipment rental rates, mobilization and demobilization costs, and other data that the mines use to calculate the cost of their reclamation efforts. The standardized cost data and the associated cost calculation spreadsheet were developed in a collaborative effort between the BLM, the Nevada Mining Association and NDEP.